

Special Report on the

Sandcut Volunteer Fire Department

Conecuh County, Alabama

October 1, 2016 through August 31, 2020

Filed: October 29, 2021



Department of Examiners of Public Accounts

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Rachel Laurie Riddle, Chief Examiner



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Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

A special examination was conducted of the Sandcut Volunteer Fire Department, Conecuh County, Alabama, for the period October 1, 2016 through August 31, 2020. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the special examination.

Respectfully submitted,

Dixie Broadwater
Examiner of Public Accounts

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Department of **Examiners of Public Accounts**

SUMMARY

Sandcut Volunteer Fire Department October 1, 2016 through August 31, 2020

The Sandcut Volunteer Fire Department (the “Fire Department”) receipts, disburses, and otherwise accounts for funds received from the State of Alabama Forestry Commission, the Conecuh County Commission, and other sources. The disbursements of Fire Department funds should be limited to authorized purposes as set forth by state and/or local laws and regulations and be supported by proper documentation.

This report presents the results of a special examination of the Fire Department performed at the request of the District Attorney, 35th Judicial Circuit, pursuant to the *Code of Alabama 1975*, Section 41-5A-5(a)(9).

During our examination of the Fire Department, we attempted to evaluate the procedures in place within the Fire Department. There was a lack of segregation of duties within the Fire Department. The former Treasurer of the Fire Department was responsible for receiving funds, disbursing funds, and recordkeeping. To accomplish proper segregation of duties, an internal control system, insofar as possible, should provide for different individuals to perform the function of authorizing a transaction and the performing and recording of a transaction.

Instances of noncompliance with state and local laws and regulations and other matters were found during the examination as shown on the Schedule of Findings and they are summarized below.

FINDINGS

- ◆ 2020-001 relates to the absence of procedures being in place to ensure that all disbursements of restricted funds are for eligible purposes, adequately documented, and properly approved.
- ◆ 2020-002 relates to the Fire Department’s lack of procedures to ensure adherence with the minimum accounting requirements, as prescribed, and to ensure that documentation is maintained to support all administrative and financial activities.

CHARGES AGAINST FORMER OFFICERS

As reflected on Exhibit 2, the charges against the former Officers of the Fire Department resulted from disbursements made for ineligible and/or undocumented purchases made from restricted funds of the Fire Department. Official demand was made on the former Treasurer and Fire Chiefs requesting payments totaling \$45,662.36. Former Fire Chief Bartlett failed to appear at a meeting with the Chief Examiner and show just cause as to why the amounts charged to him should not be repaid; therefore, relief was denied, as evidenced by the Order of the Chief Examiner. At a meeting before the Chief Examiner, the former Treasurer and former Fire Chief Blair failed to show just cause why the amounts charged to them should not be repaid; therefore, relief is accordingly denied as evidenced by the Orders of the Chief Examiner contained in this report.

EXIT CONFERENCE

Officers, as reflected on Exhibit 1, were invited to discuss the results of this report at an exit conference held at the Sandcut Volunteer Fire Department's Firehouse. Individuals in attendance were: Frederick Blair, Ashley Barnett, Bonnie Blair, Brandon Barnett, Matthew Bradford, Ty McFerrin, Elizabeth Bush and Charlene Godwin. Dixie Broadwater, Special Projects Manager, represented the Department of Examiners of Public Accounts.

Schedule of Findings

Schedule of Findings

October 1, 2016 through August 31, 2020

Ref. No.	Finding/Noncompliance
2020-001	<p><u>Finding:</u></p> <p>Pursuant to the <i>Code of Alabama 1975</i>, Section 41-5-23, the Chief Examiner of Public Accounts has prescribed minimum accounting requirements for Volunteer Fire Departments (see also <i>Code of Alabama 1975</i>, Section 41-5A-21). The minimum accounting requirements contain a list of funds that are considered restricted along with a listing of eligible and ineligible expenditures from restricted funds. Restricted funds include state grants, county appropriations, and ad valorem taxes. Furthermore, the minimum accounting requirements state that the disbursement of volunteer fire department funds is to be supported by proper documentation, including an original invoice and authorization from the Board of Directors and should comply with purposes set forth by state and/or local laws.</p> <p>The Sandcut Volunteer Fire Department (the “Fire Department”) received funds that are classified as restricted from annual financial assistance payments from the Alabama Forestry Commission, annual appropriations from the Conecuh County Commission, a three-mill ad valorem tax, a portion of the County’s Business Privilege Tax distribution and others.</p> <p>An examination of the Fire Department’s bank accounts where these funds were deposited or transferred was conducted. The total deposits made during our examination period were \$88,550.50 and were comprised of the following:</p> <ul style="list-style-type: none">✓ Financial assistance totaling \$4,608.83 from the Alabama Forestry Commission. Based on an agreement with the Forestry Commission, the Fire Department agreed that funds must be managed to meet all requirements established by the Department of Examiners of Public Accounts; all funds are subject to audit; and no funds shall be spent on food, drink, entertainment, fund-raising projects, or salaries.✓ Appropriations totaling \$4,800.00 from the Conecuh County Commission’s General Fund.✓ Distributions totaling \$76,881.60 from the three-mil ad valorem fire tax levied by Amendment 528 of the <i>Constitution of Alabama 1901</i> was disbursed to the Fire Department by the Conecuh County Commission. According to the Amendment, these funds shall be used in furtherance of fire protection and for rescue squads within the affected areas.✓ Distributions totaling \$730.07 of Conecuh County’s portion of the Business Privilege Tax levied by the <i>Code of the Alabama 1975</i>, Section 41-14A-22.✓ A counter deposit of \$1,530.00 from an unidentified source.

Schedule of Findings

October 1, 2016 through August 31, 2020

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u></p> <p>Documentation for disbursements made from the Fire Department's bank accounts was requested from the Fire Department's former Treasurer and former Fire Chiefs; however, to date, proper documentation has not been provided for certain questioned disbursements totaling \$45,662.36.</p> <p>The Fire Department's former Treasurer identified disbursements for her personal benefit totaling \$7,101.94 in a response to our department but did not provide any invoices, receipts or proof of authorization. Based on transactions and check images found on the Fire Department's bank statements these disbursements were made to a doctor's office, cellular service providers, television service providers, a veterinarian, a landscaper, a trash service and to an individual.</p> <p>The eligibility and purpose of the following disbursements were questioned and remain undocumented; therefore, we were unable to ascertain if the disbursements were spent to benefit the Fire Department and further fire protection in the affected area:</p> <ul style="list-style-type: none">✓ Five checks written to florists totaling \$392.15.✓ Bank fees charged for a returned item, an overdraft fee, and a negative account balance fee totaling \$108.00.✓ Ninety-one checks written to general retail and grocery stores, including Wal-Mart, Pic-N-Sav, and Greer Food Tiger totaling \$18,367.18.✓ Three checks written to building supply stores totaling \$1,093.09.✓ Forty-eight checks were written to individuals totaling \$18,600.00, including the former Treasurer and a former Fire Chief. <p>The officers of the Fire Department failed to establish procedures to ensure that restricted money was spent for eligible purposes and that proper documentation, including original invoices and authorization by the Fire Department's Board of Directors, was maintained. As a result, \$45,662.36 is reflected as amounts due from former officers on Exhibit 2.</p> <p><u>Recommendation:</u></p> <p>The officers of the Fire Department should implement procedures to ensure that all disbursements of restricted funds are for eligible purposes, adequately documented, and properly approved.</p>

Schedule of Findings

October 1, 2016 through August 31, 2020

Ref. No.	Finding/Noncompliance
2020-002	<p><u>Finding:</u></p> <p>Pursuant to the <i>Code of Alabama 1975</i>, Section 41-5-23, the Chief Examiner of Public Accounts has prescribed minimum accounting requirements for Volunteer Fire Departments (see also <i>Code of Alabama 1975</i>, Section 41-5A-21). The minimum accounting requirements contains items that were developed to assist in the proper management of public and nonpublic funds received by Volunteer Fire Departments. These items include, but are not limited to the following:</p> <ul style="list-style-type: none">✓ Each fire department's Board of Directors should keep minutes of all meetings.✓ Official bank accounts are to be authorized by the fire department's Board of Directors, and such authorization documented in the minutes of meetings.✓ All funds received should be deposited in an official bank account.✓ A cashbook reflecting the receipts, disbursements, and balances on hand should be maintained monthly.✓ Public records should be retained until approval for destruction is obtained from the Alabama Department of Archives and History. <p>Our examination of the Sandcut Volunteer Fire Department revealed that these minimum accounting requirements were not being followed. The following issues were noted:</p> <ul style="list-style-type: none">✓ There were gaps in dates of the minutes of meetings provided. This appears to indicate that minutes were not kept and retained for all meetings.✓ A bank account was opened during the examination period and subsequently closed due to insufficient funds. Authorization of the opening and the subsequent closing of this bank account was not found in the minutes provided.✓ There were notations on check images and in the minutes provided regarding fundraisers held by the Fire Department and the collection of dues from members; however, deposits of money collected at fundraising events or for dues collected were not found in the Fire Department's bank accounts.✓ Based on the records obtained for examination, there was no evidence of a cashbook reflecting receipts, disbursements, and balances on hand being maintained by the Fire Department.

Schedule of Findings
October 1, 2016 through August 31, 2020

Ref. No.	Finding/Noncompliance
	<p data-bbox="370 352 641 388"><u>Finding Continued:</u></p> <p data-bbox="418 388 1419 499">✓ Public records, including supporting documentations for receipts and disbursements, minutes, cashbooks, etc., as noted above, could not be provided for much of the examination period.</p> <p data-bbox="370 535 1419 716">The Fire Department did not have procedures in place to ensure that minimum accounting requirements were followed, as required. The lack of documentation maintained to support the financial activities and administrative actions of the Fire Department exposed the Fire Department to the risk of loss, theft, and mismanagement.</p> <p data-bbox="370 751 620 787"><u>Recommendation:</u></p> <p data-bbox="370 787 1419 900">The Fire Department should implement procedures to ensure adherence to the minimum accounting requirements as prescribed and ensure that documentation is maintained to support all administrative and financial activities.</p>

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Officers of the Volunteer Fire Department

October 1, 2016 through August 31, 2020

Officers

June 15, 2015 through January 14, 2019

Johnny Mack Bartlett	President/Chief
Frederick Blair	Vice-President/Assistant Chief
Ashley Barnett	Secretary
Bonnie Blair	Treasurer

January 15, 2019 through August 10, 2020

Frederick Blair	President/Chief
Brandon Barnett	Vice-President/Assistant Chief
Ashley Barnett	Secretary
Bonnie Blair	Treasurer

August 11, 2020 through Current

Matthew Bradford	President/Chief
Ty McFerrin	Vice-President/Assistant Chief
Elizabeth Bush	Secretary
Charlene Godwin	Treasurer

Schedule of Charges
October 1, 2016 through August 31, 2020

Person/Official Charged	Date	Amount Charged	Amount Paid	Amount Relieved By Chief Examiner	Amount Unpaid	Description of Charge
<u>Jointly Charged To:</u>						
Johnny Mack Bartlett, Former Fire Chief Bonnie Blair, Former Treasurer Sandcut Volunteer Fire Department	11/18/2016 - 01/18/2019	\$16,350.00	\$	\$	\$16,350.00	Checks were written to individuals using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursements.
	08/24/2017 - 09/12/2018	344.00			344.00	Checks were written to florists using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursements.
	12/27/2016 - 12/24/2018	13,686.15			13,686.15	Checks were written to general retail stores, including Wal-Mart and Pic-N-Sav, using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursements.
	07/12/2017	655.52			655.52	A check was written to a building supply store using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursement.
	03/28/2018 - 04/03/2018	108.00			108.00	Bank fees were charged to a Fire Department bank account for a returned item, an overdraft fee, and a negative account balance.
Total Jointly Charged To Johnny Mack Bartlett and Bonnie Blair		31,143.67			31,143.67	
<u>Jointly Charged To:</u>						
Frederick Blair, Former Fire Chief Bonnie Blair, Former Treasurer Sandcut Volunteer Fire Department	09/13/2019	48.15			48.15	A check was written to a florist using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursement.
	06/28/2019 - 08/07/2020	2,250.00			2,250.00	Checks were written to individuals using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursements.
	01/28/2019 - 03/16/2020	4,681.03			4,681.03	Checks were written to general retail stores, including Wal-Mart and Pic-N-Sav, using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursements.
	01/28/2019 - 02/22/2019	437.57			437.57	Checks were written to a building supply store using restricted funds for which no proper documentation was provided to support the eligibility and purpose of the disbursement.
Total Jointly Charged To Frederick Blair and Bonnie Blair		7,416.75			7,416.75	
Sub-Total Forward		\$38,560.42	\$	\$	\$38,560.42	

Schedule of Charges
October 1, 2016 through August 31, 2020

Person/Official Charged	Date	Amount Charged	Amount Paid	Amount Relieved By Chief Examiner	Amount Unpaid	Description of Charge
Sub-Total Brought Forward		\$38,560.42	\$	\$	\$38,560.42	
<u>Directly Charged To:</u>						
Bonnie Blair, Former Treasurer Sandcut Volunteer Fire Department	12/11/2017 - 07/14/2020	7,101.94			7,101.94	Disbursements, identified as personal by the Former Treasurer, were made to a doctor's office, cellular service providers, television service providers, a veterinarian, a landscaper, a trash service, and an individual.
Total Directly Charged to Bonnie Blair		7,101.94			7,101.94	
Total Amounts Charged		\$45,662.36	\$	\$	\$45,662.36	

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Orders of the Chief Examiner


ORDER OF THE CHIEF EXAMINER

RE: SANDCUT VOLUNTEER FIRE DEPARTMENT OCTOBER 1, 2016 THROUGH AUGUST 31, 2020

This matter of amounts due from the former Chief of the Sandcut Volunteer Fire Department who served from June 15, 2015 through January 14, 2019, was brought before me on the 30th day of September 2021, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20.

I am of the opinion that the former Chief has failed to show just cause why the amounts due should not be paid. Therefore, relief is denied.

Entered this the 13th day of October, 2021.


Rachel Laurie Riddle
Chief Examiner

ORDER OF THE CHIEF EXAMINER

RE: SANDCUT VOLUNTEER FIRE DEPARTMENT OCTOBER 1, 2016 THROUGH AUGUST 31, 2020

This matter of amounts due from the former Treasurer of the Sandcut Volunteer Fire Department was brought before me on the 30th day of September 2021, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. I am of the opinion that the former Treasurer has failed to show just cause why the amounts due should not be paid. Therefore, relief is denied.

Entered this the 13th day of October, 20 21.



Rachel Laurie Riddle
Chief Examiner

ORDER OF THE CHIEF EXAMINER

RE: SANDCUT VOLUNTEER FIRE DEPARTMENT OCTOBER 1, 2016 THROUGH AUGUST 31, 2020

This matter of amounts due from the former Chief of the Sandcut Volunteer Fire Department who served from January 15, 2019 through August 10, 2020, was brought before me on the 30th day of September 2021, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20. I am of the opinion that the former Chief has failed to show just cause why the amounts due should not be paid. Therefore, relief is denied.

Entered this the 13th day of October, 2021.

A handwritten signature in black ink, appearing to read 'R. Laurie Riddle', written over a horizontal line.

Rachel Laurie Riddle
Chief Examiner